



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

201130016

MAY 5 2011

Significant Index Number: 412.06-00

SE: T: EP: RA: TD

In Re: *****

Company = *****

EIN: *****

Dear *****:

This letter is to inform you that your request for a waiver of the minimum funding standard for the above-named plan for the plan year ending March 31, 2009, is denied.

The Company manufactures abrasive for and distributors. It has one owner and employees. The Company and the Plan operate on a fiscal year ending March 31.

The facts of the Company's situation show that it is experiencing significant financial distress. This is seen in the decline in sales and losses that the Company has incurred from 2007 through 2009. While the Company has adjusted payroll and expenses in an attempt to improve its financial situation, the Company's cash flows have suffered greatly due to a decrease in sales volume. The Company states also that it has had no resources to promote its products and pursue new business.

You were notified in a letter dated March 29, 2011, that your request had been tentatively denied. The letter stated that you had 21 days from that date to request a Conference of Right. We did not receive a timely response to the letter; therefore, you have waived your right to a conference.

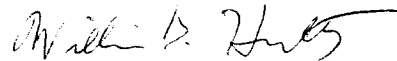
After considering all financial information the Company has supplied, we have determined that its business hardship is not temporary. Furthermore, even if the funding waiver were granted, the Company's financial submission illustrates that it would not be able to make periodic payments to the Plan sufficient to cover both the amortization payments on the funding waiver plus the future ongoing cost of the Plan. Therefore, because the Company's financial hardship does not appear to be temporary, and it is unable to satisfy future minimum funding requirements, your request for a

waiver of the minimum funding standard for the plan year ending March 31, 2009, is denied.

You should note that excise taxes under section 4971(a) of the Internal Revenue Code ("Code") are currently due on the minimum funding requirement for the Plan year ending March 31, 2009. You should file a Form 5330 as soon as possible to report and pay the taxes.

This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent. We have sent a copy of this letter to the Manager, EP Classification in Baltimore, Maryland, to the Manager, EP Compliance Unit in Chicago, Illinois. If you require further assistance in this matter, please contact ***** (ID# *****) at (***) ***-****.

Sincerely yours,



William Hulteng
Manager, Employee Plans Technical

cc: